

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: Approval of Minutes of June 4, 1998 Meeting

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: September 3, 1998

INFORMATION: _____

PRESENTER(S): Chairperson

Please see the attached minutes of the June 4, 1998, Budgets and Audits Committee meeting.

PROPOSED
MINUTES OF THE
BUDGETS AND AUDITS COMMITTEE
OF THE
TEACHERS' RETIREMENT BOARD
THURSDAY, JUNE 4, 1998
THIRD FLOOR, ROBYN D. MILLER BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

COMMITTEE MEMBERS PRESENT

George Fenimore, Chairperson
Yvonne Gallegos Bodle
Michael Mayer
Lillian Raffel
Emma Zink
Fred Buenrostro, representing the State Controller, Kathleen Connell
Robin Dezember, representing the Director of Finance, Craig Brown
Wen Chung Hong, representing the State Treasurer, Matt Fong

OTHER BOARD MEMBERS PRESENT

Gary Lynes
Marty Mathiesen
Richard Whitmore, representing the Superintendent of Public Instruction, Delaine Eastin

STAFF PRESENT

James D. Mosman, Chief Executive Officer
Christopher Waddell, Chief Counsel
Michael Carter, DCEO, Client Benefits and Services
Elleen Okada, DCEO, Investments
Peggy Plett, DCEO, Administration
Laurence Martin, DCEO, Financial and Information Systems
Ken Costa, Director, START Project
Way Lee, Director, Office of Audits
Fred Snyder, Office of Audits
Mary Miles, Administrative Assistant

A quorum being present, Chairperson Fenimore called the meeting to order at 8:05 a.m.

II. **APPROVAL OF MINUTES OF MARCH 5, 1998 MEETING**

MOTION duly made by Ms. Bodle, seconded by Mr. Mayer, and carried to approve the Minutes of the March 5, 1998 Budgets and Audits Meeting.

III. **ANNOUNCEMENTS**

There were no announcements.

IV. **1999/2000 PROPOSED BUDGET – FIRST DRAFT**

Ms. Plett reported that the proposed budget included a four percent increase over the 1998/99 budget due primarily to the START Project. The final draft with complete Budget Change Proposal language will be brought before the Committee in September.

MOTION duly made by Ms. Raffel, seconded by Ms. Zink, and carried to approve the 1999/2000 Proposed budget as presented. Mr. Buenrostro abstained.

V. **STATUS REPORT: COOPERS & LYBRAND’S REVIEW OF CONTROLS ON INVESTMENT ACTIVITIES**

Mr. Snyder and Mr. Lee reported that this report was the final follow-up to this review, and all corrective actions have been taken.

VI. **INTERNAL AUDIT FINAL REPORT: INVESTMENT OPERATIONS – CASH RECEIPTS AND DISBURSEMENTS**

Mr. Lee presented this item.

VII. **SCHOOL DISTRICT FINAL REPORTS**

Mr. Lee presented nine final reports including, Glendale USD, Orange USD, Palm Springs USD, East San Gabriel Valley ROP, Antioch USD, Fremont USD, Long Beach USD, Riverside USD, and Corona-Norco USD.

VIII. **COMPLIANCE CASE SUMMARIES BY COUNTY**

Mr. Lee presented seven reports including Orange, San Diego, San Bernardino, Santa Clara, El Dorado, Butte, and Riverside counties. Mr. Lee also added that the Compliance Unit often must request records numerous times from the counties which lengthens the time needed to complete the compliance cases.

IX. **AUDIT STATUS REPORT – INTERNAL, SCHOOL DISTRICT, COMPLIANCE**

Mr. Lee stated that the next report should include a cumulative report.

X. **1997/98 BUDGET STATUS UPDATE**

Ms. Plett reported that it is expected that there will be a carry-over amount.

XI. **1998/99 BUDGET STATUS UPDATE**

Ms. Plett reported that the support budget had cleared both the Senate and the Assembly and she does not anticipate any changes.

XII. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements from the public.

XIII. **ADJOURNMENT**

Chairperson Fenimore adjourned the Committee meeting at 8:40 a.m.

James D. Mosman, Chief Executive Officer
and Secretary to the Teachers' Retirement Board

George Fenimore, Chairperson